B.C.D. 00-25

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Employer Status Determination
Indiana Southwestern Railway Company (ISW)

This is the determination of the Railroad Retirement Board concerning the status of the Indiana Southwestern Railway Company (ISW) as an employer under the Railroad Retirement Act (45 U.S.C. § 231 et seq.) and the Railroad Unemployment Insurance Act (45 U.S.C. § 351 et seq.).

By authority of concurrent Surface Transportation Board decisions on March 21, 2000 (STB Finance Docket Numbers 33858 and 33859), ISW began operations as a class III railroad carrier on April 3, 2000. ISW is owned by Pioneer Railcorp, a noncarrier holding company. ISW purchased two connecting lines of railroad in Vanderburgh and Posey Counties, Indiana, respectively from the Evansville Terminal Company, Inc. (BA 2369) and AB Rail Investments, Inc.. ISW now operates on 21.87 miles of track with terminal points at Evansville, Posey and Cynthiana, Indiana. ISW rail traffic interchanges with CSX Transportation (BA 1524) and ISW estimates that 90% of its revenues will be freight revenues in the form of terminal switch charges from CSX . ISW employees were first compensated on April 3, 2000, the date it began operations.

Section 1(a)(1) of the Railroad Retirement Act (45 U.S.C. §231(a)(1)), insofar as relevant here, defines a covered employer as:

> (i) any carrier by railroad subject to the jurisdiction of the Surface Transportation Board under part A of subtitle IV of Title 49, United States Code.

The evidence of record establishes that ISW is a rail carrier operating in interstate commerce. Accordingly, it is determined that ISW became an employer within the meaning of section 1(a)(1)(i) of the Railroad Retirement Act (45 U.S.C. §231(a)(1)(i) and the corresponding provision of the Railroad Unemployment Insurance Act effective April 3, 2000 the date as of which it commenced operations.

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